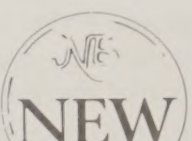


# Investment Insights

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**NEW  
ENGLAND  
RARE COIN  
GALLERIES**  
THE NEW LEADER IN  
AMERICAN NUMISMATICS

Mailing Address: P. O. Box 1776 • Boston, Mass. 02105

Executive Offices and Galleries: 89 Devonshire Street • Boston, Mass 02109 • 617-227-8800 • Toll-Free Wats Line: 1-800-225-6794



## THREE CENT NICKELS — 1865-1889

In order to understand fully the investment potential of Three Cent Nickels, we're going to have a brief discussion of Morgan Dollars! If the logic of this escapes you, it is understandable. However, in a few paragraphs, it should become clear.

For many decades, the most expensive Morgan Dollar was the 1895-P. It was not until the early 1970's that the 1895-P took a back seat to the mint state 1893-S as the most expensive coin of the series. Soon afterward, other coins also passed the 1895-P in price. Today, while a Gem Proof 1895-P is a \$10,000 plus coin, an 1893-S has sold for \$40,000, an 1893-CC "Branch Mint Proof" has brought \$18,000, a Gem BU 1892-S has realized \$16,000, and a dealer we know has a standing offer of \$15,000 for a Gem Prooflike 1884-S (if he can find one!). There are other Morgan Dollars which would pass the 1895-P as well if they were available — such as the Branch Mint Proof 1879-O currently on display at the Smithsonian Institute.

What does this have to do with the Three Cent Nickel series? Precisely this: for many decades, the most expensive Three Cent Nickel has been the "Proof-only" 1877. The fact is, there are several coins in this series that are rarer, and in our opinion will soon pass the 1877 in price. It is important to note that the 1877 is *not* overpriced, but that the other issues are *underpriced*. Another way of illustrating this is to look again at the 1895-P Morgan. While other Morgan Dollars have increased as much as tenfold (or more) during this decade, the 1895-P has itself *tripled* in price from its 1970 valuation of \$3500.

The entire series of Three Cent Nickels has tremendous potential, but not all for the same reason. For example, most of the issues prior to 1877 are not rare in mint state, but all are quite scarce with fully struck "bars"; that is, the "III" on the reverse. As collectors become more quality conscious, this could (and probably will) become as important as a full head on Standing Liberty Quarter or a full hand and skirt line on a Walking Liberty Half Dollar. On the issues *after* 1877, strike is almost never a problem. The "problem," instead, is rarity. With the exception of the "common" 1881



and Proof-only 1878, 1886, and 1887/6, the issues after 1877 are rare in Gem BU condition. For instance, there were only 1700 business strike 1884 Three Cent Nickels minted. Since most of this issue was circulated or melted, there are very few business strikes available today in mint state. Scott's *Catalog and Encyclopedia of U.S. Coins* notes that the 1884 Three Cent Nickel is "scarce and underrated as a non-proof. Rare in Unc." For many years, a "false ceiling" was placed on the price of this issue because of the price of Proofs. The ceiling has now been lifted, however, as it has on other series, such as the Half Dollars of 1879 to 1890. Because of this, a few pieces are showing up on the market for the first time in several years. *Those pieces that are available should be purchased — now!* This issue meets all the important criteria for coin investment today as discussed in the first issue of *Investment Insights* — affordability, popularity, beauty, rarity and demand.

Below is a date by date breakdown of the series, along with recommendations for each issue.

## DATE BY DATE ANALYSIS

1865 — In demand as a first-year-of-type coin. Frequently seen with heavily clashed dies. Bars sometimes weak. *Strongly recommended* at current levels, but *only in full strike Gem BU*.

1866, 1867, 1868 — Bars usually weak. Buy these issues *only* when fully struck.

1869, 1870, 1873, 1881 — While scarcer than the 1865 — 1868 issues, still relatively common in mint state. Purchase only when fully struck.

1871, 1872 — Both issues are usually priced about the same as the 1865-1870 dates. Actually, 1871 and 1872 are *much* scarcer. *Recommended* at current levels.

1874 — *Strongly recommended* at current levels. A true "sleeper" date in Gem mint state. Currently priced in the \$195 — \$250 range; we project this will be a \$400 plus coin by 1980.

1875 — *Recommended* — A seldom seen issue. Oddly, this date is also quite scarce in Proof.

1876 — While not as scarce as 1874 and 1875, an underrated issue.

1877, 1878, 1886, 1887/6 — These are "Proof-only" issues, and while they will undoubtedly show substantial growth (i.e., outpace the rate of inflation) the true potential of this series seems to lie in the business strike issues.

1879, 1880, 1888, 1889 — Very popular and legitimately scarce in Gem BU or Superb Gem BU condition. *Highly recommended* at current levels.

1882, 1883, 1887 — Despite a higher mintage, the 1882 has proved the equal in rarity to the 1883 and 1887. These three dates are very tough to locate and have *excellent potential*.

1884 — The best buy of a series filled excellent values at today's levels.

1885 — The denticles always come weak on this date, giving it a "broadstruck" appearance. A popular rarity with *tremendous "upside" potential*.

There are two things to remember about these recommendations. One, the *business strike* issues of these dates are what are being recommended, *not* the Proofs. Two, it may seem that we are comparing the 1895-P Morgan to the 1877 Three Cent Nickel. What we are actually comparing is the *relation* of the 1895-P Morgan to the silver dollar series against the relation of the 1877 Three Cent Nickel to the Three Cent Nickel series. This is an important distinction.

## COIN OF THE MONTH



In the first issue of *Investment Insights* we touched briefly on the 1928 Peace Dollar and the reasons why it sells for much less than the higher mintage 1934-S. While the 1928 is not a "sleeper" date, we feel it is still underrated at this time, overlooked during the recent price increase of most of the series. The "plus" factors for this date are:

- 1) **Popularity** — The low mintage, beauty, and collectibility of this issue make it extremely popular with collectors and investors.
- 2) **Track Record** — This issue has doubled in price every four years since 1970. (1970 price about \$70, 1974 price about \$140, 1977 price about \$275.)
- 3) **Not in Redfield** — The supply seems stable or decreasing; no hoards have come on the market.
- 4) **Affordability** — Both the issue itself and the series it is in are within the financial reach of the average collector.
- 5) **Scarcity** — This issue is scarce in all grades ("good" condition valuation: \$60).

The only "minus" factor for the 1928 Peace Dollar is that a large percentage of the pieces extant are in mint state; however, this should not be a deterrent to its future growth as it is still legitimately scarce.

As a special offer to the readers of *Investment Insights*, we are selling *Gem BU 65* 1928 Peace Dollars at the following discount price:

Regularly \$275

Special \$245

We must limit quantities to one coin per person.



## TIPS FOR INVESTORS

### PROPER CARE AND STORAGE FOR RARE COINS

Perhaps the most frequently asked numismatic question we answer at New England Rare Coin Galleries concerns the proper care and storage of rare coins. Most valuable coins are at least 50 years old — antiques in a very real sense. Some 1794 Large Cents issued in Gem Red Uncirculated condition are still in that state today, essentially as nice as the day they fell from the dies. They weren't left to go the way of most of their 183 year old cousins. Of all the Large Cents available in Uncirculated grades, there remain just a few in Superb condition. How did they stay that way? Careful storage.

The question often arises, "Well, I store my coins carefully, why do they still change colors?" There are ways to lessen the problem, which we will discuss here, but if you live in one of the danger zones, beware! Do not store your coins in a moist environment, or in a large city. The opportunities for atmospheric contaminants to mar the surface of a coin are increased in these areas. Fortunately, most banks that store coins have a system which constantly monitors air quality. As for climate, if you live in Florida or one of the Southern states, I recommend collecting silver or gold coins!

One common problem is spotting, which occurs on the surface of copper and some silver coins, usually as a result of a collector getting too "nosey". Small specks of dirt, dust or even sweat droplets can easily fall onto the surface of the coin. The best way to forestall the growth of a spot is to moisten a Q-tip in a dish of *Care* and lightly dab the spot, being careful not to leave any lint. Even if this method is not successful in removing the spot, it *will* check its growth.

Once in a great while, it is necessary to "dip" a copper coin to remove stains, tarnish or surface discoloration. This procedure is best handled by a professional, and is not recommended for the novice to experiment with. If the coin is dipped too much, the surface tends to take on an unnatural color, reducing the value of the coin tremendously.

Copper coins can be stored safely in a holder which is constructed of high grade plastic. This can either be in the form of the familiar screw-together holder, or the flexible "flip" which is made of a special polyvinyl chloride mixture. Both methods are effective, with the holder providing the most secure protection. We recommend storing coins in flips and, upon the completion of your set, placing them all at once in a screw-together holder (this will prevent the screws from breaking). Never store your coins in slide-type albums or in 2" x 2" cellophane holders. Both have contaminants in the paper, and the plastic slides may cause "slide marks" on the high relief points of the coin.

Copper is best stored in a safety deposit box containing a packet of silica gel (a moisture-absorbing substance that keeps the air as dry as possible). If you really want to give your coins the *utmost* in protection, install a dehumidifier in your vault!

Much more can be said about the do's and don'ts of coin storage. In upcoming issues of INVESTMENT INSIGHTS we will examine the individual problems of the different metals used in coining United States issues. In the meantime, if a problem arises that you need help with, please do not hesitate to contact us.



### RARITY

When it comes to coin investment, sometimes it is not important how rare a coin is, but how rare people *think it is*. For instance, both the first and second edition of Scott's *Catalog and Encyclopedia of U.S. Coins* list the 1879 dime as a Rarity 6 in mint state. This means there are 13 to 30 known to exist. Two collectors/investors we know decided in 1973 to buy all they could find. In seven months, they were able to purchase 32 pieces! What has this mis-information cost them? Nothing! In fact, the coins have a *wholesale value of 250% of their cost four years ago*. Once again, *demand* has proven to be the deciding factor, and few 19th century coins are in greater demand than business strike dimes of 1879, 1880, and 1881.

The dimes of 1880 and 1881 are listed as "only" R-5 (31 to 75 known to exist), yet both of these issues are in fact *much rarer* than the 1879. If you decide to invest in the dimes of 1879-1881, focus your attention on the latter two years. You will be buying rarer coins with a much greater potential for the future.

### MODERN BU ROLLS

We normally do not recommend BU rolls of modern issues (1950 to date). There have been a few exceptions in the past and there will undoubtedly be a few more in the future, but basically, we feel the money can be spent better elsewhere.

Sometimes you will find a dealer offering modern rolls with this argument: "This roll sold for \$125 in 1964. It *must* be a bargain today at only \$42." This type of reasoning is faulty for obvious reasons, yet seems highly logical to many beginning investors.

Modern BU rolls have proven to be about the *only long-term loser* for rare coin investors. Why? Because the important factor of *rarity* is usually missing. Buying coins "by the pound," so to speak, is not the way to make money in rare coin investment.



# SPECIAL OFFERING OF 1908-D HALF EAGLES



From 1908 to 1929, the United States Mint issued twenty-four different dates and mintmarks of the Indian Head Half Eagle. The Half Eagle series, along with the Quarter Eagles minted during the same years, is unique among United States coins in that the design is incuse (stamped *into* the coin) rather than relief (with a raised design). The 1908-D is a particularly sought-after coin in this series both because it is a first-year-of-type coin, and because its scarcity in mint state prevents it from being susceptible to the frequent shifts in the bullion market. The fact that the coin is gold enhances its desirability and hence its investment potential.

In 1976, New England Rare Coin Galleries purchased two original rolls of Indian Head Half Eagles as part of a rare gold estate collection. Several weeks ago, we broke up one of these rolls (dated 1909-D), and these are almost entirely sold out. The other roll (dated 1908-D) has now been broken up as well.

The quality of this roll is exceptional — just as it came from the Denver Mint 69 years ago. It is mixed with beautifully toned Choice BU 60/65 and Gem BU 65 coins. Because current wholesale levels of this issue are \$250 “ask” for MS-60 and \$645 “ask” for MS-65, our usual retail price would be \$495 for Choice BU 60/65 (halfway between MS-60 and MS-65 wholesale plus 10% mark-up) and \$750 for Gem BU 65 (about 15% over current wholesale). However, for this special offering to our investment customers, we have priced these coins at dealer wholesale!

Choice BU 60/65 — Regularly \$495, only \$325

Gem BU 65 — Regularly \$750, only \$550

Note: We must limit our customers to two coins per order at this special price. Additional coins may be ordered at the regular price.

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## SPECIAL HALF PRICE INTRODUCTORY OFFER

As an introduction to our new investment letter, we are offering a 12 issue subscription for only \$6, half the usual \$12 price, and a 75% savings over the single issue price of \$2 per copy.

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I would like to receive the next 12 issues of “INVESTMENT INSIGHTS.” Enclosed is my check for \$6, half the regular subscription rate.

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Send to: NEW ENGLAND RARE COIN GALLERIES  
Investment Insights, #2  
Box 1776  
Boston, MA 02105